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April 16, 2024

VIA ELECTRONIC FILING

Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 20230019-EI; In re: Petition for recovery of costs associated with named tropical storm systems during the 2019-2022 hurricane seasons and replenishment of storm reserve, by Tampa Electric Company

Dear Mr. Teitzman:

Please find enclosed for filing the Prehearing Statement of Walmart Inc. in the above-referenced case.

Please contact me if you have any questions concerning this filing.

Sincerely,

/s/ Stephanie U. Eaton
Stephanie U. Eaton (Florida Bar No. 165610)

SUE:sds
Enclosures
c: Parties of Record

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for recovery of costs : DOCKET NO. 20230019-EI
associated with named tropical storm :
systems during the 2019-2022 hurricane :
seasons and replenishment of storm reserve, :
by Tampa Electric Company : Filed: April 16, 2024

**PREHEARING STATEMENT OF
WALMART INC.**

Pursuant to Florida Public Service Commission's ("Commission") Order No. PSC-2023-0309-PCO-EI, issued October 17, 2023, Walmart Inc. ("Walmart") files its Prehearing Statement.

I. APPEARANCES

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II. WITNESSES

<u>Witness</u>	<u>Subject</u>	<u>Issue No.</u>
Lisa V. Perry	Ms. Perry's testimony addresses Tampa Electric Company's ("TECO" or "Company") proposed cost recovery of the storm restoration recovery costs related to the tropical storm systems during the 2019-2022 hurricane seasons and replenishment of TECO's storm reserve.	Issue 13, Contested Issue 1

III. EXHIBITS

<u>Exhibit</u>	<u>Description</u>
LVP-1	Witness Qualifications Statement
LVP-2	Walmart's Comments filed March 7, 2023 ("Comments")

IV. WALMART'S STATEMENT OF BASIC POSITION

Walmart takes no position regarding the amount of restoration costs or accounting treatment of the same in this Docket. Walmart did raise an issue in its filed Comments prior to TECO's recovery of storm costs at issue in this Docket, which is set forth as a Contested Issue below. Namely, Walmart contends that TECO should be required to recover storm costs from demand-metered customers on a demand, or \$/kW, charge, not through an energy, or \$/kWh charge.

As set forth in Walmart's March 7, 2023, Comments, Walmart's issue in this Docket is an issue that Walmart raised before this Commission in relation to the Storm Protection Plan ("SPP") and Storm Protection Plan Cost Recovery Clause ("SPPCRC") Dockets as early as 2020.¹ Walmart's general concern is that recovering demand-related costs through an energy charge could result in a shift in demand cost responsibility from lower load factor customers to higher load factor customers.² Although both Duke Energy Florida, LLC, ("DEF") and Florida Public Utility Company ("FPUC") sought recovery of SPP costs from demand-metered customers through an energy charge, each Utility ultimately entered into a Stipulation whereby each agreed to charge demand-metered customers a demand charge related to SPP costs.³ While Walmart readily acknowledges that retroactive billing revisions would likely be administratively prohibitive, as

¹ See Comments at page 2.

² See *id.*, and Direct Testimony of Lisa V. Perry in the 2021 SPPCRC Docket, No. 2021—10-EI, p. 14, lines 6 – 21.

³ See Comments at page 2, at Footnote 1, and page 3.

expressed by TECO in the Rebuttal Testimony of Jordan M. Williams⁴, Walmart notes that TECO's collection of costs in this Docket are not yet complete, and Walmart did, in fact, raise the issue in this Docket *before* TECO's storm costs began being recovered from its customers from April 2023, through December 2024.⁵ Moreover, while Mr. Williams points out that this Commission "has a long-standing history of approving the recovery of a utility's storm restoration costs via the energy charge" for the last seventeen years,⁶ it does not mean that the Commission, Staff, Utilities, and ratepayers cannot reevaluate the way the storm costs are recovered. In light of the fact that SPP costs are recovered from demand-metered customers for TECO, DEF, FPUC and Florida Power & Light ("FPL") through a demand-charge, and the fact that both DEF and FPUC revised their respective cost recovery from demand-metered customers in SPPCRC Dockets, Walmart urges consideration of this issue in this Docket.

V. ISSUES

Issue 1: **Should the incremental cost and capitalization approach (ICCA) found in Rule 25-6.0143, F.A.C., be used to determine the reasonable and prudent amounts to be included in the restoration costs?**

Position: Walmart takes no position at this time.

Issue 2: **Have the terms of TECO's 2019 Stipulation and Settlement, approved by Order No. PSC-2019-0234-AS-EI, issued June 14, 2019, been complied with? If not, why not?**

Position: Walmart takes no position at this time.

⁴ Williams Test., March 28, 2024, at page 3, lines 20-25.

⁵ See Order No. PSC-2023-0351-PCO-EI, Nov. 20, 2023, ("Nov. 2023 Order") at pages 2-3, noting that the originally approved recovery period was April 2023 through the last billing cycle of March 2024, and that TECO's supplemental petition requested an amended storm surcharge and extended cost recovery through December 2024. The Nov. 2023 Order states that the "disposition of any over or under recovery, and associated interest, will be considered by us at a later date" and that "this docket shall remain open pending final reconciliation of actual recoverable storm costs with the amount collected pursuant to the interim storm restoration recovery charge and the calculation of a refund or additional charge if warranted."

⁶ Williams Test., at page 4, lines 1-14.

Issue 3: What is the reasonable and prudent amount of regular payroll expense to be included in the restoration costs?

Position: Walmart takes no position at this time.

Issue 4: What is the reasonable and prudent amount of overtime payroll expense to be included in the restoration costs?

Position: Walmart takes no position at this time.

Issue 5: What is the reasonable and prudent amount of contractor costs to be included in the restoration costs?

Position: Walmart takes no position at this time.

Issue 6: What is the reasonable and prudent amount of vegetation and line clearing costs to be included in the restoration costs?

Position: Walmart takes no position at this time.

Issue 7: What is the reasonable and prudent amount of employee expenses to be included in the restoration costs?

Position: Walmart takes no position at this time.

Issue 8: What is the reasonable and prudent amount of materials and supplies expense to be included in the restoration costs?

Position: Walmart takes no position at this time.

Issue 9: What is the reasonable and prudent amount of logistics costs to be included in the restoration costs?

Position: Walmart takes no position at this time.

Issue 10: What is the reasonable and prudent total amount of costs to be included in the restoration costs?

Position: Walmart takes no position at this time.

Issue 11: What is the reasonable and prudent amount of storm-related costs that should be capitalized?

Position: Walmart takes no position at this time.

Issue 12: What is the appropriate accounting treatment associated with any storm costs found to have been imprudently incurred?

Position: Walmart takes no position at this time.

Issue 13: If applicable, how should any under-recovery or over-recovery be handled?

Position: Walmart takes no position at this time, except to the extent cost recovery is an aspect of this issue, in which case Contested Issue 1 addresses Walmart's position.

Issue 14: Should this docket be closed?

Position: Walmart takes no position at this time.

VI. CONTESTED ISSUES

Contested Issue 1: Should any cost recovery approved in this docket be recovered from demand-metered customers through the demand charge?

Position: Walmart recommends that any cost recovery approved in this Docket should be recovered from demand-metered customers through the demand charge, *i.e.*, on a \$/kW basis, and not through the energy charge, or on a \$/kWh basis, as proposed by the Company.

VII. STIPULATED ISSUES

There are currently no stipulated issues.

VIII. PENDING MOTIONS OR OTHER ACTIONABLE MATTERS

Walmart has no pending Motions at this time.

IX. PENDING CONFIDENTIALITY REQUESTS OR CLAIMS

Walmart has no pending confidentiality requests or claims.

X. OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT

Walmart does not object to any witness's qualifications as an expert.

XI. COMPLIANCE WITH ORDER NO. PSC-2023-0309-PCO-EI

There are no requirements of Order No. PSC-2023-0309-PCO-EI with which Walmart cannot comply.

Respectfully submitted,

By /s/ Stephanie U. Eaton

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Counsel to Walmart Inc.

Dated: April 16, 2024

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Prehearing Statement of Walmart Inc. has been furnished by electronic mail to the following parties this 16th day of April, 2024.

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